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REMARKS

This response is intended as a full and complete response to the final Office Action mailed February 26, 2007. The Applicants herein cancel claims 1-27 and add new claims 28-47. The new claims reflect the method and apparatus of previous claims 1-27 from the perspective of the head end rather than the set top terminal. In addition, dependent claims 29-36 and 38-47 are variations of dependent claims 2-8 and 10-17.

In view of the foregoing amendments and the following discussion, Applicants submit that none of the claims now pending in the application are obvious under the provisions of 35 U.S.C. §103. Thus, Applicants believe that all of these claims are now in allowable form.

It is to be understood that, by amending the claims, Applicants do not acquiesce to the Examiner's characterizations of the art of record or to Applicants' subject matter recited in the pending claims. Further, Applicants are not acquiescing to the Examiner's statements as to the applicability of the art of record to the pending claims by filing the instant response.

35 U.S.C. §103 Rejection of Claims 22 and 25

The Examiner has rejected claims 22 and 25 under 35 U.S.C. §103(a) as being unpatentable over Lanier et al. (U.S. 5,588,104, hereinafter "Lanier '104") in view of Esch et al. (U.S. 5,283,639, hereinafter "Esch") further in view of Young (U.S. 4,706,121, hereinafter "Young"). Applicants respectfully traverse the rejection.

The Applicants herein cancel claims 22 and 25 without prejudice. Therefore, the rejection is now moot.

35 U.S.C. §103 Rejection of Claims 1-6, 8-15, 17-21, 23, 24, 26 and 27

The Examiner has rejected claims 1-6, 8-15, 17-21, 23, 24, 26 and 27 under 35 U.S.C. §103(a) as being unpatentable over Lanier '104 in view of Lanier et al. (U.S. Patent 5,588,139, hereinafter "Lanier '139") further in view of Esch and Young. Applicants respectfully traverse the rejection.

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The Applicants herein cancel claims 1-6, 8-15, 17-21, 23, 24, 26 and 27 without prejudice. Therefore, the rejection is now moot.

NEW CLAIMS

The Applicants herein add new claims 28-47. The new independent claims are supported by the specification, by at least page 9, lines 9-10 and the accompanying figures.

Moreover, the Applicants respectfully submit that none of the prior art currently cited teach or suggest a method or an operations center for placing virtual objects in virtual object locations in a video program at a head end. For example, Esch specifically teaches that all the customization occurs at each remote site (i.e. a set top terminal) and not at the head end. (See Esch, col. 4, ll. 14-19; col. 5, ll. 22-46; col. 7, ll. 18-20.) Therefore, the Applicants respectfully submit that claims 28-47 are in a condition for allowance and respectfully request allowance of these claims.


CONCLUSION

Thus, Applicants submit that none of the claims presently in the application, are obvious under the provisions of 35 U.S.C. §103. Accordingly, both reconsideration of this application and its swift passage to issue are earnestly solicited.

If, however, the Examiner believes that there are any unresolved issues requiring adverse final action in any of the claims now pending in the application, it is requested that the Examiner telephone Eamon J. Wall or Jimmy Kim, at (732) 530-9404, so that appropriate arrangements can be made for resolving such issues as expeditiously as possible.

Respectfully submitted,

Dated: 7/20/07



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